

House Bill 581

By: Representatives Hagan of the 156<sup>th</sup>, Wiedower of the 121<sup>st</sup>, Cannon of the 172<sup>nd</sup>, Neal of the 79<sup>th</sup>, and Smith of the 18<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 3 of the Official Code of Georgia Annotated, relating to alcoholic beverages,  
2 so as to provide for regulation of the manufacture, distribution, and sale of malt beverages;  
3 to provide for definitions; to authorize manufacturers of malt beverages to sell or donate malt  
4 beverages they produce, subject to certain limitations and conditions; to provide for direct  
5 donation of malt beverages by brewers and brewpubs to certain charitable events; to provide  
6 that sales for consumption off the premises are not subject to a daily maximum; to permit  
7 small brewers to sell a limited quantity of malt beverages at wholesale; to provide for  
8 remittance of excise and use taxes on donated malt beverages; to provide for a short title; to  
9 provide for related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 This Act shall be known and may be cited as the "Georgia Craft Brewery Innovation and  
13 Survival Act."

14 **SECTION 2.**

15 Title 3 of the Official Code of Georgia Annotated, relating to alcoholic beverages, is  
16 amended by adding a new paragraph to Code Section 3-1-2, relating to definitions, to read  
17 as follows:

18 "(20.1) 'Small brewer' means a brewer or brewpub whose sales of products to such  
19 brewer's or brewpub's wholesaler licensed under this title, if any, do not exceed 15  
20 percent of such wholesaler's total sales in the prior calendar year."

21 **SECTION 3.**

22 Said title is further amended by adding a new Code section to read as follows:

23 "3-5-6.

24 (a) As used in this Code section, the term:

25 (1) 'Charitable event permit holder' means a bona fide nonprofit civic organization that  
26 has been issued a permit pursuant to Code Section 3-9-3 for the sale of alcoholic  
27 beverages for consumption on the premises.

28 (2) 'Permitted charitable event' means an event for which a permit has been obtained by  
29 a bona fide nonprofit civic organization pursuant to Code Section 3-9-3 authorizing such  
30 organization to sell alcoholic beverages for consumption on the premises.

31 (b) A brewer or brewpub may directly donate malt beverages it manufactures to a  
32 charitable event permit holder for a permitted charitable event, provided that:

33 (1) The amount of such donated malt beverages shall not exceed the amount necessary  
34 for the permitted charitable event;

35 (2) Any donated malt beverages that are not used or consumed during the permitted  
36 charitable event shall be returned to the brewer or brewpub within 24 hours of the event  
37 closure or the expiration of the charitable event permit, whichever is later; and

38 (3) The donated malt beverages shall be transported to and from the permitted charitable  
39 event by the charitable event permit holder or the brewer or brewpub that made the  
40 donation."

41 **SECTION 4.**

42 Said title is further amended by revising subsection (b) of Code Section 3-5-24.1, relating to  
43 exception to three-tier system, transfer of liquids, sales at brewer's licensed premises, taxing,  
44 regulatory authority, and conditions or limitations, as follows:

45 "(b) A limited exception to the provisions of this title providing a three-tier system for the  
46 distribution and sale of malt beverages shall exist to the extent that the license to  
47 manufacture malt beverages in this state shall include the right to sell malt beverages to  
48 individuals on the brewer's licensed premises for personal use and not for resale, subject  
49 to the following terms and conditions:

50 (1) The brewer may only make sales of malt beverages to an individual while the  
51 individual is physically on the brewer's licensed premises where the brewer produces malt  
52 beverages;

53 (2) The brewer may make sales of malt beverages the brewer produces at the brewer's  
54 licensed premises where the individual is purchasing the malt beverages;

55 (3) As long as the brewer and all of the brewer's licensed premises are under common  
56 ownership, the brewer may make sales of malt beverages the brewer produces at any  
57 licensed premises of the brewer and subsequently transfers in compliance with the  
58 limitations and reporting obligations of subsection (c) of this Code section to the brewer's  
59 licensed premises for sale where the individual is purchasing the malt beverages;

60 (4) The brewer may only make sales of malt beverages for which the brewer is the sole  
61 owner of the brand and brand label;

62 (5) Sales for consumption on the premises are not subject to a daily maximum amount;

63 (6) Sales for consumption off the premises ~~shall not exceed a maximum of 288 ounces~~  
64 ~~of malt beverages per individual per day~~ are not subject to a daily maximum amount; and  
65 (7) The maximum amount of malt beverages the brewer may sell pursuant to this  
66 ~~subsection (b) of this Code section~~ in each calendar year shall be 6,000 barrels in the  
67 aggregate among all brewer's licensed premises making such sales."

## 68 SECTION 5.

69 Said title is further amended by adding a new Code section to read as follows:

70 "3-5-24.2.

71 (a) Notwithstanding the provisions of Code Section 3-5-24.1 and as a limited exception  
72 to the provisions of this title providing a three-tier system for the distribution and sale of  
73 malt beverages, the license to manufacture malt beverages in this state shall include for  
74 small brewers the right to:

75 (1) Sell per calendar year up to 3,000 barrels of malt beverages produced at the small  
76 brewer's licensed premises at wholesale to retailers licensed in this state that are located  
77 within a 100 mile radius of the small brewer's licensed premises;

78 (2) Sell, deliver, and ship its malt beverages to other licensed brewers and brewpubs; and

79 (3) Acquire and receive deliveries and shipments of such malt beverages made by other  
80 licensed brewers and brewpubs.

81 (b) Any small brewer that sells malt beverages pursuant to this Code section shall utilize  
82 an electronic accounting software that is capable of tracking and remitting state and local  
83 taxes imposed in connection with such sales.

84 (c) The commissioner shall promulgate and enforce such rules and regulations as he or she  
85 may deem reasonable and necessary to effectuate the provisions of this Code section."

86 **SECTION 6.**

87 Said title is further amended by revising Code Section 3-5-27, relating to malt beverages  
88 acquired by retail dealers from persons other than licensed wholesale dealers declared  
89 contraband, as follows:

90 "3-5-27.

91 Except as otherwise provided in this chapter, any Any malt beverage possessed, sold, or  
92 offered for sale by a retail dealer which was purchased or otherwise acquired from any  
93 person other than a wholesale dealer authorized to do business under this chapter is  
94 declared to be contraband and shall be seized by the commissioner or the appropriate local  
95 authorities and disposed of by the commissioner in the manner provided in this title."

96 **SECTION 7.**

97 Said title is further amended by revising Code Section 3-5-81, relating to payment of tax by  
98 wholesale dealers generally, time of payment, and reports by dealers as to quantities of  
99 beverages sold, as follows:

100 "3-5-81.

101 (a) The excise taxes provided for in this part shall be imposed upon and shall be paid by  
102 the licensed wholesale dealer in malt beverages; provided, however, that such taxes shall  
103 be imposed upon and shall be paid by the licensed brewer or brewpub for malt beverages  
104 served or sold by the brewer directly to the public pursuant to Code Section 3-5-24.1 or  
105 donated by the brewer or brewpub pursuant to Code Section 3-5-6.

106 (b) The taxes shall be paid on or before the tenth day of the month following the calendar  
107 month in which the beverages are sold, donated, or disposed of within the particular  
108 municipality or county.

109 (c) Each licensee responsible for the payment of the excise tax shall file a report itemizing  
110 for the preceding calendar month the exact quantities of malt beverages, by size and type  
111 of container, sold or donated during the month within each municipality or county. The

112 licensee shall file the report with each municipality or county wherein the beverages are  
113 sold or donated by the licensee.

114 (d) The licensee shall remit to the municipality or county on the tenth day of the month  
115 following the calendar month in which the sales or donations were made the tax imposed  
116 by the municipality or county."

117 **SECTION 8.**

118 All laws and parts of laws in conflict with this Act are repealed.